



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

REPRESENTATIVE MICHAEL L. MOLGANO
ONE HUNDRED FORTY-FOURTH ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING
ROOM 4200
HARTFORD, CT 06106-1591
HOME: (203) 461-8551
CAPITOL: (860) 240-8700
TOLL FREE: (800) 842-1423
EMAIL: Michael.Molgano@housegop.ct.gov

MEMBER
EDUCATION COMMITTEE
FINANCE, REVENUE AND BONDING COMMITTEE
TRANSPORTATION COMMITTEE

Testimony

Opposing House Bill 5021 An Act Concerning Competitive Alcoholic Liquor Pricing and Hours of Operation for Permittees

General Law Committee

February 28, 2012

Honorable Co-Chairs Senator Doyle and Representative Taborsak, Honorable Vice-Chairs Senator Leone and Representative Baram, Ranking Members Senator Witkos and Representative Rebimbas, and members of the General Law Committee:

House Bill (HB) 5021 - An Act Concerning Competitive Alcoholic Liquor Pricing and Hours of Operation for Permittees is wrong for Stamford and wrong for Connecticut. I say this not because I am opposed to growing revenue in our state; I say this because HB 5021 is gambling on unproven sales numbers and completely ignoring the 1,000 small package stores in Connecticut by unfairly providing big "box-store" establishments greater advantage over them.

The bill is an extensive package of reforms regarding the sale and purchase of alcohol. Some of the proposals include:

- Creation of medallions that, upon purchase, allows an owner to open up a liquor store in any town regardless of how many stores are in that town already;
- Increase the number of allowable licenses from 2 to 9, thereby creating a pathway for franchises to overtake and close out the small stores;

Eliminate the State pricing minimum, which again will allow the big box stores, with their buying power and storage capacity, to undersell and drive the small business owner out of business. Right now the minimum allows the small owner to compete.

I've recently met with several small liquor store owners throughout the Stamford area and listened intently to their concerns over the bill's potential to support larger companies over struggling local small businesses. I am worried it will inadvertently create a passageway for big businesses to overtake and weaken the small businesses with their ability to buy more, store more, and open in any town without restriction. I am worried extending hours may present security concerns with liquor stores prone to robbery or worse. I am worried the threat to these small stores will lead to lost jobs, which completely contradicts the accomplishments of the entire General Assembly this past October.

I strongly urge the General Law Committee oppose HB 5021. The State of Connecticut must stand behind the small package stores. The reforms the bill proposes do nothing to help these businesses to grow or remain in business. As one owner said, "Only a miniscule percentage of small and mid-sized retailers can survive quantity discounts and the elimination of minimum bottle pricing." With a fragile economy striving to rebuild in Connecticut, I could never support legislation that would put a stumbling block in its path. Please vote NO to HB 5021.

Sincerely,

A handwritten signature in black ink that reads "Michael L. Molgano". The script is cursive and fluid, with the first name "Michael" and last name "Molgano" clearly legible.

Michael L. Molgano
State Representative, District 144
Stamford